

**STATE OF WISCONSIN  
DEPARTMENT OF EMPLOYEE TRUST FUNDS  
801 West Badger Road  
Madison, WI 53702**

**CORRESPONDENCE MEMORANDUM**

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**DATE:** January 21, 2003

**TO:** Group Insurance Board

**FROM:** Audrey Koehn, Director  
Disability Programs Bureau

**SUBJECT:** Negotiated Lump Sum Payments

At the February 17, 1998, meeting, the Board initially approved offering negotiated lump sum payments (discounted administrative settlements) to recipients of Income Continuation Insurance (ICI) benefits whose benefits are less than \$200 per month. These payments are for cases where it would be cost effective to the plan. Acceptance by the recipient is completely voluntary.

Attached is a worksheet list of recommended negotiated lump sum payment offers with a brief summary of each beneficiary's current status and pertinent information relevant to the determination and calculation of the discounted settlement offer. All of the individuals are permanently disabled, with no improvement in prognosis or rehabilitative potential, and will receive benefits through age 65. All benefits are adjusted (offset) for WRS and Social Security Disability benefits.

Staff requests approval to offer the proposed voluntary administrative settlements to these ICI beneficiaries.